

C2 THURSDAY, MAY 29, 1986

## THE FEDERAL DIARY

## Early-Out Plan on Hold

By Mike Causey  
Washington Post Staff Writer

**G**overnment workers who hoped to take earlier-than-normal retirement this summer will probably have to wait until January before learning whether that option will be made available to them.

An unprecedented Senate plan that would make 700,000 of the government's 2.8 million employees eligible to retire between July and December is becalmed on Capitol Hill.

Unless Congress gives the bill top priority, and there is no reason to believe it will, there is little chance early-outs could become a reality this summer.

The bill, which would allow some workers to retire in their early forties, was introduced March 14 by Sens. William V. Roth Jr. (R-Del.) and Ted Stevens (R-Alaska). Despite intense interest in the federal work force, it was two months before the Senate held a hearing. The House, which does not have an early retirement plan, is waiting for the Senate to act. That could be a while.

Reagan administration officials have endorsed the one-shot early retirement proposal, which would trim the work force and eliminate the need for budget-triggered layoffs of younger workers over the next few years.

But officials have expressed concern about being unable to replace some of the civil servants who retire, because the bill would freeze most agency hiring for five years. Roth, chairman of the Governmental Affairs Committee, says he's willing to discuss giving the government flexibility to replace some early retirees.

Federal and postal unions have two reasons for being leery of any proposal tied to a hiring freeze.

It could gut key programs and encourage agencies to turn to the private sector to get work done. And unions would lose thousands of members who would be hard to replace.

Many federal personnel officials also have reservations about the government's ability to continue essential work if thousands of workers retired early and couldn't be replaced.

Under the Roth-Stevens plan, employees could retire at any age after 25 years of service, at age 50 after 20 years' service, at age 55 after 15 years' service, or at age 57 after five years of service. Normally, the earliest a worker can retire is at age 55 after 30 years of service.

The Roth-Stevens bill would reduce pensions by 2 percent for each year the retiree is under age 55.

The House is waiting for the Senate to act. The Senate must find an early-out plan that is acceptable to the White House. All this takes time, and chances are the early-out window won't be opened this year.

**Pension Tax Deadline**

The Congressional Research Service has issued an opinion saying federal workers can retire under current retirement rules as late as June 30 and escape a possible pension tax change proposed in the House tax reform bill.

Rep. Tony Hall (D-Ohio) asked the research service to step in because many federal employee organizations, personnel managers and congressional offices have interpreted the House bill as meaning that U.S. workers would have to retire by June 3 to beat the tax change. The change applies to pensions that begin after July 1.

Hall said the confusion "was compounded by the refusal of the House Ways and Means Committee, Office of Personnel Management or the Treasury Department to offer a public explanation."

In her opinion, research service attorney Marie B. Morris concluded that if the effective date in the House bill had said "on or after July 1," instead of "after July 1," then employees would have to retire by June 3. But "the language in the bill as passed by the House retains current law treatment for those who retire by June 30," she said.

A  
N.  
O.  
Po.  
Pr.  
Rh.  
Ro.  
Sec.  
Soft.  
Stoc.  
Syd.  
Tokyo.  
Vien.  
Wars

WE

City  
Acapulc  
Barbad  
Bermu  
Bogota  
Buenos  
Calgary  
Caracas  
Edmont  
Havana  
Lima  
Mexico C  
Montreal  
Nassau  
Ottawa  
Regina  
Rio  
Santiago  
Toronto  
Vancouver  
Winnipeg

S